

**House File 433 - Introduced**

HOUSE FILE 433

BY SHEETS and GASSMAN

**A BILL FOR**

1 An Act establishing a district cash reserve budget adjustment.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 257.2, subsection 2, Code 2015, is  
2 amended by striking the subsection.

3 Sec. 2. NEW SECTION. 257.14A District cash reserve budget  
4 adjustment.

5 1. The board of directors of a school district that wishes  
6 to receive the budget adjustment under this section may adopt a  
7 resolution by May 15 preceding the budget year and shall notify  
8 the department of management of the adoption of the resolution  
9 and the amount of the budget adjustment to be received.

10 2. a. For budget years beginning on or after July 1,  
11 2016, each school district that satisfies the requirements of  
12 subsection 1 shall be eligible for a budget adjustment for  
13 that budget year in an amount not to exceed an amount equal to  
14 the district's budget enrollment multiplied by the quotient  
15 obtained by dividing the sum of the maximum amount of the cash  
16 reserve levy available to each school district in the state as  
17 determined under section 298.10, subsection 3, for the budget  
18 year by the statewide budget enrollment for the base year.

19 b. The resolution adopted under subsection 1 may specify  
20 a budget adjustment amount that is less than the amount  
21 authorized under paragraph "a".

22 c. The school district shall fund the budget adjustment  
23 increase either by using moneys from its unexpended fund  
24 balance or by using cash reserve moneys subject to the  
25 limitation in section 298.10.

26 3. A budget adjustment received under this section shall  
27 not affect the eligibility for or amount of any other budget  
28 adjustment authorized by law for the same budget year. In  
29 addition, a budget adjustment under this section shall be  
30 limited to the budget year for which the adjustment was  
31 authorized and shall not be included in any computation of a  
32 school district's cost for any future budget year.

33

EXPLANATION

34 The inclusion of this explanation does not constitute agreement with  
35 the explanation's substance by the members of the general assembly.

1 This bill establishes a district cash reserve budget  
2 adjustment. The board of directors of a school district that  
3 wishes to receive the budget adjustment under the bill may  
4 adopt a resolution by May 15 preceding the budget year and  
5 shall notify the department of management of the adoption of  
6 the resolution and the amount of the budget adjustment to be  
7 received.

8 For budget years beginning on or after July 1, 2016, each  
9 school district that adopts the required resolution shall be  
10 eligible for a budget adjustment for that budget year in an  
11 amount not to exceed an amount equal to the district's budget  
12 enrollment multiplied by the quotient obtained by dividing the  
13 sum of the maximum amount of the cash reserve levy available  
14 to each school district in the state as determined under Code  
15 section 298.10(3) for the budget year by the statewide budget  
16 enrollment for the base year.

17 The bill provides that the budget adjustment resolution may  
18 specify a budget adjustment amount that is less than the amount  
19 authorized in the bill. The school district is required to  
20 fund the budget adjustment increase either by using moneys from  
21 its unexpended fund balance or by using cash reserve moneys  
22 subject to the cash reserve levy limitation in Code section  
23 298.10.

24 The bill specifies that the budget adjustment received does  
25 not affect the eligibility for or amount of any other budget  
26 adjustment authorized by law for the same budget year and that  
27 the budget adjustment under the bill is limited to the budget  
28 year for which the adjustment was authorized and shall not be  
29 included in any computation of a school district's cost for any  
30 future budget year.